

***Financial Management System
FFEL Lender Reporting System***

Funds Remittance Guide

September 8, 2011

Version – 9.6

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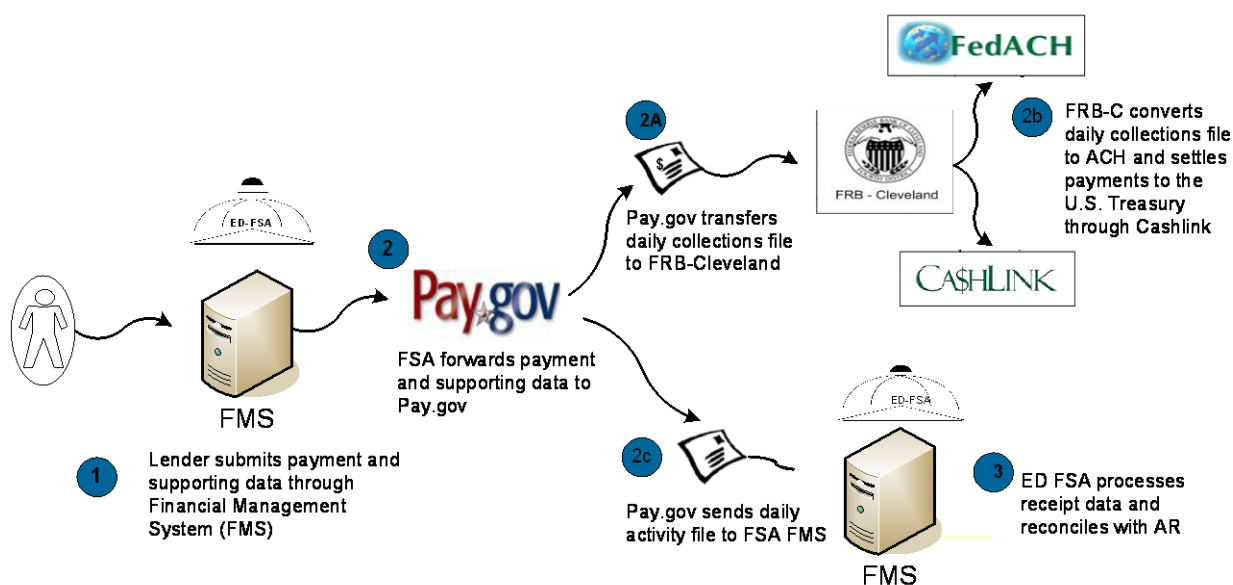
Introduction

The purpose of this document is to provide an overview of the Funds Remittance process for the Lenders participating in the Federal Family Education Loan Program (FFEL). This process facilitates the collection of the following fees:

- LaRS Fee
- Consolidation Loan Rebate Fee

Electronic Funds Remittance

Process Overview



ACH Payments are all made through the FSA Financial Management System (FMS) and processed through Pay.gov, an application hosted by the US Department of the Treasury. Guidance for making ACH payments is available from two documents, “**Remitting Funds Through ACH**” and “**Pay.gov Funds Remittance Guide**”, both found at <http://www.fp.ed.gov/fms.html>.

Pre-Requisites

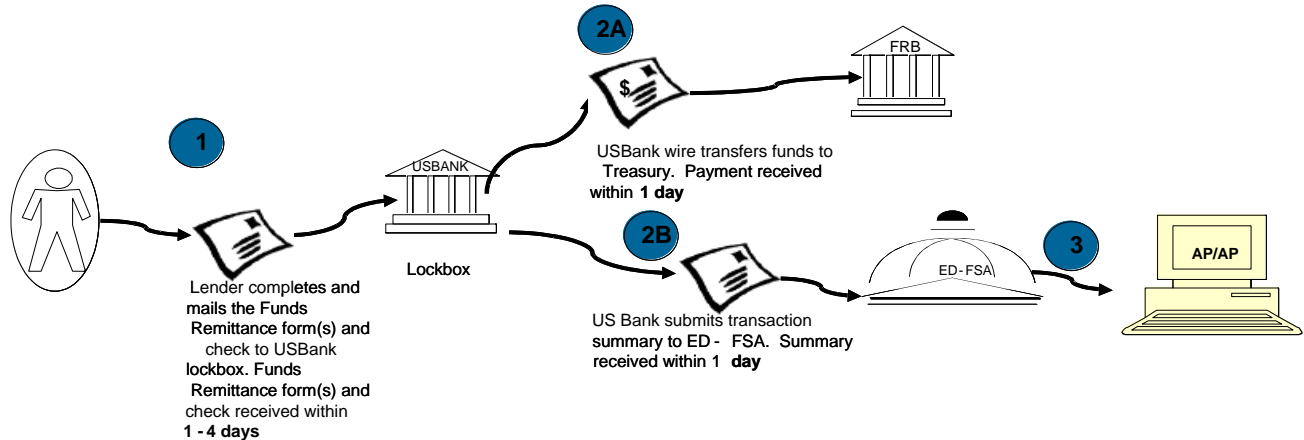
All users must be active in FMS and have the “FSA LARS Lender/Service Payment Submission” responsibility. New users need to complete the FSA/FMS Security access forms available under the LaRS section at: <http://www.fp.ed.gov/fms.html>.

Users with additional questions should contact the FMS Help Desk at 1-800-433-7327, option 3.

Paper Funds Remittance (LaRS & CLRF ONLY)

Process Overview

Submission Process



Mail completed Forms and a check made payable to the "U.S. Department of Education," with a notation for, and in the amount of, the Fee to:

**U.S. Department of Education
P. O. Box 979066
St. Louis, MO 63197-9000**

Form Overview

FFEL Lenders' Interest & Special Allowance (LaRS) Remittance Form Overview

If a payment is due to the Department of Education as a result of the LaRS processing, the FFEL Lenders' Interest & Special Allowance (LaRS) Remittance Form must be filled out with Lender ID, Amount to be paid, and Lender's Check Number, and attached with the check payment. This form will facilitate processing at the lockbox bank. Please be aware that the bank will reject payments submitted without properly completed remittance forms back to the Department from correction, thus delaying processing.

Field Definition

- 1. Lender ID:** Enter your six-digit lender identification number (LID). The "8" has been pre-filled for you.
- 2. Amount to be Paid:** Amount of Interest and Special Allowance funds included in check.
- 3. Lender's Check Number:** Enter the number of your check.

NOTE: The FFEL Lenders' Interest & Special Allowance (LaRS) Remittance Form is available in [Appendix A](#).

FFEL Consolidation Loan Rebate Fee Report and Remittance Form Overview

Applicability: This FFEL Consolidation Loan Rebate Fee Report and Remittance Form is used to report to the U.S. Department of Education (ED) the Federal Consolidation Loan Interest Payment Rebate Fee authorized by subsection 428C(f) of the Higher Education Act of 1965, as amended. Help on completing this Consolidation Loan Rebate Fee Report and on correcting or adjusting prior Reports can be obtained from ED's FM by calling the Help Desk at 1-800-433-7327, Option #3. **NOTE:** A lender holding one or more Federal Consolidation Loans at the end of the month must submit a payment for the Consolidation Loan Rebate Fee within 30 days of the end of the month for which the Fee is calculated.

Form Preparation: Submit the Consolidation Loan Rebate Fee Report using a photocopy of the front page of this form, or by typing or computer generating a facsimile of the front page of this form. If a facsimile is produced, include the form title, the ED form number, and all material in the boxes on the front page of this form. The facsimile must be produced on 8½ x 11 inch plain white paper, and all items must be arranged in the same order as on the form. The dollar symbols (\$) must be included, but the lines outlining the boxes and the underlines for each item may be omitted. The instructions for this form may also be omitted. ED may reject a facsimile that does not meet these criteria. ***PLEASE SUBMIT A SEPARATE FORM FOR EACH SERVICED PORTFOLIO.***

Fee Calculation: The Federal Consolidation Loan Interest Payment Rebate Fee is calculated and paid monthly to ED. It is equal on a monthly basis to 0.0875 percent of the unpaid balance of principal and the accrued unpaid interest on all Federal Consolidation Loans disbursed after October 1, 1993, and held by the lender on the last day of the month. (This is equal to an annualized rate of 1.05 percent.) Except for loans based on applications received during the period from October 1, 1998 through January 31, 1999, inclusive, for which the rebate is equal on a monthly basis to .05167 percent of the unpaid balance of principal and the accrued unpaid interest. (This is equal to an annualized rate of 0.62 percent.) Use the item-by-item instructions in the following paragraphs to calculate the Fee and to complete the Consolidation Loan Rebate Fee Report on the front page of this form.

Field Definition:

- 1. Lender ID:** Enter your six-digit lender identification number (LID). The "8" has been pre-filled for you.
- 2. Servicer ID:** Enter your six-digit Servicer identification number, if applicable. The "7" has been pre-filled for you. ***THIS IS REQUIRED FOR SERVICED LENDERS.***
- 3. Reporting Period:** Enter the date of the last day of the month of the reporting period for which this Consolidation Loan Rebate Fee Report is being submitted. Enter the date in a "month/year" format. Enter the month as two digits. Enter the year as four digits. For the purpose of the Consolidation Loan Rebate Fee Report, a month is always a calendar month, starting on the first of the month and ending on the last day (the 30th or 31st, except for February). A calendar month reporting cycle must be used for the Consolidation Loan Rebate Fee Report even if you use a different reporting cycle (e.g. from the 26th day of one month to the 25th day of the following month) for internal or other reporting purposes.
- 4. Applicable rate for Consolidation Loans Subject to the 1.05% fee:** This field has been pre-filled for you.
- 5. Number of Loans:** Enter the number of loans subject to the 1.05% fee used to calculate the Consolidation Loan Rebate Fee. To determine this number, review all Federal Consolidation Loans held by you at the end of the month and identify the loans that were disbursed on or after October 1, 1993, *except for loans based on applications received during the period from October 1, 1998 through January 31, 1999, inclusive which are subject to the 0.62% fee.* Include a loan even if you

were not the originating lender, you only purchased it at a later date. Include all loans eligible for insurance, even if an insurance claim has been filed, but not paid, as of close of business on the last day of the month.

6. End-of-Month Principal Balance: Enter the Principal Balance used to determine the Consolidation Loan Rebate Fee. For all Federal Consolidation Loans meeting the requirements in item 5, Number of Loans, determine the unpaid principal balance at the end of the day on the last day of the month. Payments received from borrowers on the last day of the month should be credited prior to determining the unpaid principal balance. Add the unpaid principal balances for all loans to determine the End-of-Month Principal Balance. You may round this total to the nearest dollar if desired.

7. End-of-Month Accrued Unpaid Interest Balance: Enter the End-of-Month Accrued Unpaid Interest Balance used to determine the Consolidation Loan Rebate Fee. For each loan for which an End-of-Month Principal Balance (see item 6) was determined, determine its accrued unpaid interest balance at the end of the day on the last day of the month. Payments received from borrowers or ED on the last day of the month should be credited prior to determining the accrued unpaid interest balance. Add the accrued unpaid interest balances for all loans to determine the End-of-Month Accrued Unpaid Interest Balance. You may round this total to the nearest dollar.

8 through 11: Repeat the instructions for Items 4 through 7, as they apply to Consolidation loans based on applications received during the period from October 1, 1998 through January 31, 1999, inclusive, which are subject to the 0.62% fee.)

12. Consolidation Loan Rebate Fee: Enter the amount of the Federal Consolidation Loan Interest Payment Rebate Fee being paid at the time this report is submitted. To determine the amount of the Fee for the month, add the End-of-Month Principal Balance (see item 6) to the End-of-Month Accrued Interest Balance (see item 7). Multiply this sum by 0.0875 percent (that is, .0008750). To this amount, add the End-of-Month Principal Balance (see item 10) to the End-of-Month Accrued Interest Balance (see item 11) and then multiplied by .05167 percent (that is, .0005167). Round the number to the nearest dollar. Prepare a check for this amount made out to the "U.S. Department of Education," and with the notation "Consolidation Loan Rebate Fee." (Refer to the "Where to Submit" paragraph at the beginning of the second page of this form for mailing instructions.) Please make sure that the amount reported in this item is the same as the amount of the check being submitted.

13. Lender's Check Number: Enter the number of your check.

14. Lender Name: Enter the name of the lender that holds the Federal Consolidation Loans reported in the Consolidation Loan Rebate Fee Report.

15. Signature: Read the certification statement and sign the form in ink. Forms signed with signature stamps and unsigned forms will be returned for a valid signature.

16. Date: Enter the date the form is signed.

17. Typed Name & Title: Type or print (do not write) the name and title of the official signing the form.

18. Contact Name & Phone #: Print the name and the telephone number (including area code) of the person who can answer questions from ED about the holder's Federal Consolidation Loan portfolio and about this Consolidation Loan Rebate Fee Report. This person may be a representative of the servicer, or representative of the lending institution holding the loans.

NOTE: The FFEL Consolidation Loan Rebate Fee Report and Remittance Form is available in [Appendix B](#).

Questions & Answers

Q: Whom do I contact if I have questions?

A: You can call the FSA Help Desk at 1-800-433-7327, option #3, or email FSA_LR@ed.gov.

Q: When are payments due to FSA?

A: Origination fees (LaRS quarterly fees) must be paid within 30 days of invoice to avoid incurring finance charges. Consolidation Loan Rebate Fees are due within 30 days of the end of the month of the month for which the fee is calculated.

Q: Are there any other payment options besides ACH and paper?

A: No, all payments must be sent via ACH or by using the paper forms when mailing a check.

Q: Do I need to include a remittance form with paper funds remittance?

A: Yes, you must include the U.S. Department of Education remittance form applicable to your payment type in order for the payment to be processed by the bank. Neglecting to include the properly completed remittance form will delay the processing of your payment.

Q: If I owe both Consolidation Loan Rebate Fees and Origination Fees am I required to submit separate payments for each fee type?

A: Yes, only one fee type per check, please! All payments are batched and processed by collection type. If submitting online, each fee type will have a unique payment screen.

***Appendix A - FFEL Lenders' Interest & Special Allowance (LaRS)
Remittance Form***



PROUD SPONSOR of
the AMERICAN MIND™

**FFEL LENDERS' INTEREST & SPECIAL ALLOWANCE
(LaRS) REMITTANCE FORM**

(For use in remitting fees associated with the quarterly LaRS submissions – formerly known as the ED Form 799.)

Collection Type – LARS

1. Lender ID: 8 _ _ _ _ _
2. Amount to be paid: \$ _ _ , _ _ _ , _ _ _ . _ _ _
3. Lender's Check Number: _ _ _ _ _

Please complete the box above and submit payment to:

**U.S. Department of Education
P.O. Box 979066
St. Louis, MO 63197-9000**

Appendix B - FFEL Consolidation Loan Rebate Fee Report and Remittance Form



PROUD SPONSOR of
the AMERICAN MIND™

FFEL CONSOLIDATION LOAN REBATE FEE REPORT and REMITTANCE FORM

Collection Type - CLRF

1. Lender ID: 8 _ _ _ _ _ 2. Servicer ID: 7 _ _ _ _ _

3. Reporting Period: _ _ / _ _ _ _
(MM) (YYYY)

4. Consolidation Loans Subject to the 1.05% fee; applicable rate: 0 0 0 8 7 5 0

5. Number of Loans: _ _ _ , _ _ _ , _ _ _

6. End-of-Month Principal Balance: \$ _ _ _ , _ _ _ , _ _ _ . _ _

7. EOM Accrued Unpaid Interest Balance: \$ _ _ _ , _ _ _ , _ _ _ . _ _

8. Consolidation Loans Subject to the 0.62% fee, applicable rate: 0 0 0 5 1 6 7

9. Number of Loans: _ _ _ , _ _ _ , _ _ _

10. End-of-Month Principal Balance: \$ _ _ _ , _ _ _ , _ _ _ . _ _

11. EOM Accrued Unpaid Interest Balance: \$ _ _ _ , _ _ _ , _ _ _ . _ _

12. Total Consolidation Loan Rebate Fee: \$ _ _ _ , _ _ _ , _ _ _ . _ _

13. Lender's Check Number: _ _ _ _ _

14. Lender Name: _____

15. Signature: _____ 16. Date: _____

17. Typed or Printed Name & Title: _____

18. Contact Name & Phone #: _____